



Prospectus

Volpara Health Technologies Limited **ARBN 609 946 867**

A fully underwritten non-renounceable pro-rata entitlement offer of 1 New Share for every 20 Shares held at the Record Date at an offer price of A\$0.60 per New Share.

The Entitlement Offer opens on 30 November 2016 and closes at 5.00 pm (Sydney time) on 15 December 2016 (unless extended).

The Entitlement Offer is fully underwritten by Morgans Corporate Limited.

ASX Code: VHT

Dated: 22 November 2016

This Prospectus provides important information about the Company, the effect of the Entitlement Offer on the Company and how to participate in the Entitlement Offer. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your stockbroker, accountant, lawyer or other professional adviser.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Prospectus is issued by Volpara Health Technologies Limited (New Zealand company number 2206998, ARBN 609 946 867) (**Volpara** or the **Company**) and is dated 22 November 2016 and was lodged with ASIC on that date. Application has been made to ASX for quotation of the New Shares offered under this Prospectus.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Nature of this Prospectus

The New Shares that will be issued upon acceptance of the Entitlement Offer offered under this Prospectus are in the same class of Shares that have been continuously quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under Section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class or securities convertible into that class which has been continuously quoted by ASX in the three months prior to the date of the Prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the offer on the company and the rights and liabilities attaching to the securities offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Before deciding whether or not to participate in the Entitlement Offer, Eligible Shareholders are recommended to consider the investment risks outlined in Section 4 of this Prospectus.

Expiry Date

No Shares will be issued or sold on the basis of this Prospectus after its expiry date, being the date 13 months after the date of this Prospectus.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus at any time prior to the Closing Date on the Company's website at <http://volparasolutions.com/> or by contacting the Company. If you access an electronic copy of this

Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Entitlement Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to Section 6 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and the United Kingdom may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia, New Zealand or the United Kingdom are Ineligible Shareholders and may not participate in the Entitlement Offer.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer in any jurisdiction other than Australia, New Zealand and the United Kingdom.

Important Information for New Zealand residents

This Entitlement Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Cth) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Entitlement Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Cth) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please

contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Entitlement Offer may involve a currency exchange risk. The currency for the New Shares is not New Zealand dollars. The value of the New Shares will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the New Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the New Shares are able to be traded on a financial product market and you wish to trade the New Shares through that market, you will have to make arrangements for a participant in that market to sell the New Shares on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the New Shares and trading may differ from financial product markets that operate in New Zealand.

Important information for United Kingdom residents

This Prospectus relates to an Entitlement Offer to be made to Eligible Shareholders in Volpara and it is not a general offer to members of the public in the United Kingdom (other than existing Shareholders who are resident in the United Kingdom). This Prospectus and the terms and conditions set out herein are for information purposes only and are directed in the United Kingdom only at: (a) persons resident in the United Kingdom who are qualified investors being persons falling within the meaning of article 2(1)(e) of the EU Prospectus Directive (which means directive 2003/71/EC (as amended by directive 2010/73/EC)) and includes any relevant implementing directive measure in any member state) or certain other persons with the consent of Volpara; and (b) existing Shareholders of Volpara resident in the United Kingdom falling within article 43(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. This Prospectus and the accompanying Entitlement and Acceptance Form have not been registered, filed with or approved by any United Kingdom regulatory authority under the Financial Services and Markets Act 2000 as amended or otherwise. No application for listing and / or admission to trading of the New Shares will be made to the

Financial Conduct Authority or London Stock Exchange Group plc.

Important information for United States of America residents

This Prospectus is not an offer to sell or a solicitation of an offer to buy securities in the United States. New Shares may not be offered or sold in the United States or to, or for the account or benefit of, US persons in the absence of registration or an exemption from registration.

The New Shares have not been, and will not be, registered under the Securities Act of 1933 (US), or the securities laws of any state of the United States and accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under that act or any applicable US state securities laws.

No action has been taken to register or qualify this Prospectus, the New Shares, or the Entitlement Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia, and, to the extent described above, New Zealand and the United Kingdom.

Shareholders resident in Australia, New Zealand or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Volpara, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, neither Volpara, nor any other person, warrants the future performance of Volpara or any return on any investment made under this Entitlement Offer.

None of Volpara's advisers nor any of their respective affiliates or related bodies corporate nor any of their respective directors, officers, partners, employees, representatives or agents has authorised or caused the issue of this Prospectus and they do not take any responsibility for the information set out in this Prospectus or any action taken by you on the basis of such information.

To the maximum extent permitted by law, Volpara's advisers and their respective affiliates or related bodies corporate and any of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all

liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer or this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

None of Volpara's advisers nor any of their respective affiliates or related bodies corporate nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer, or any information contained in the Prospectus and you represent, warrant and agree that you have not relied on any statements made by any of Volpara's advisers or any of their respective affiliates or related bodies corporate or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

Statements made in this Prospectus are made only as the date of this Prospectus. The information in this Prospectus remains subject to change without notice.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in Section 4 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in Section 7.8 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that Section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in Section 8.

Enquiries

If you have any questions please call Boardroom Pty Limited (**Share Registry**) on 1300 737 760 within Australia or +61 2 9290 9600 outside Australia at any time between 8.15am and 5.30pm

(Sydney time) Monday to Friday until the Closing Date. Alternatively, consult your stockbroker, accountant, lawyer or other professional adviser.

Table of Contents

IMPORTANT INFORMATION	1
KEY DETAILS RELATING TO THE ENTITLEMENT OFFER	2
LETTER FROM THE CHAIRMAN.....	3
1 INVESTMENT OVERVIEW AND KEY RISKS	5
2 PURPOSE OF ENTITLEMENT OFFER AND EFFECT OF THE ENTITLEMENT OFFER ON THE COMPANY.....	8
3 DETAILS OF ENTITLEMENT OFFER	11
4 RISK FACTORS	15
5 RIGHTS AND LIABILITIES ATTACHING TO SHARES.....	24
6 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS.....	26
7 ADDITIONAL INFORMATION.....	31
8 DEFINITIONS	39
CORPORATE DIRECTORY	42
ENTITLEMENT AND ACCEPTANCE FORM	43

KEY DETAILS RELATING TO THE ENTITLEMENT OFFER

Key data relating to the Entitlement Offer	
Entitlement Offer	1 New Share for every 20 Shares held by Eligible Shareholders on the Record Date
Offer Price per New Share	A\$0.60
Maximum number of New Shares to be offered under the Entitlement Offer (subject to rounding and assuming no convertible securities are converted into Shares by the Record Date)	6,213,962 New Shares
Approximate proceeds from the Entitlement Offer (before expenses)	A\$3.7 million
Approximate total proceeds from the completed Placement and the Entitlement Offer (before expenses)	A\$10.7 million
Summary of key Entitlement Offer dates**	
Announcement of the Entitlement Offer	Prior to commencement of trading on 22 November 2016
Shares commence trading on an “ex”-entitlement basis	24 November 2016
Record Date to determine Entitlements	7.00 pm (Sydney time) 25 November 2016
Dispatch of Prospectus and Entitlement and Acceptance Forms	by 30 November 2016
Opening date of the Entitlement Offer	30 November 2016
Closing Date	5.00 pm (Sydney time) 15 December 2016
Securities quoted on a deferred settlement basis	16 December 2016
Notification of under subscriptions to ASX (if any)	by 20 December 2016
Issue date - Issue of New Shares	22 December 2016
Holding statements expected to be dispatched to Shareholders	22 December 2016
Trading of New Shares expected to commence on ASX on a normal settlement basis	23 December 2016

*** These dates are indicative only and are subject to change. Volpara reserves the right, subject to the Listing Rules, to amend this indicative timetable. For example, Volpara reserves the right to extend the Closing Date, accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares. Volpara will consult with the Underwriter in relation to any change to this indicative timetable and any such change will require the consent of the Underwriter.*

LETTER FROM THE CHAIRMAN

22 November 2016

Dear Shareholder,

On behalf of Volpara Health Technologies Limited (**Volpara** or the **Company**), I am pleased to invite you to participate in a 1 for 20 fully underwritten non-renounceable pro rata entitlement offer (**Entitlement Offer**) at an offer price of A\$0.60 (**Offer Price**) per fully paid ordinary share (**New Share**) to raise up to approximately A\$3.7 million (before expenses). The Entitlement Offer was announced to ASX on 22 November 2016.

Immediately prior to the announcement of the Entitlement Offer the Company completed an institutional placement of new Shares at A\$0.60, the same price as the Offer Price, to raise approximately A\$7 million (**Placement**). Accordingly under the Placement and the Entitlement Offer the Company expects to raise approximately A\$10.7 million in aggregate (before expenses).

Under the Entitlement Offer, each Eligible Shareholder is being given the opportunity to subscribe for one New Share for every 20 fully paid ordinary shares in Volpara (each a **Share**) which the relevant Eligible Shareholder holds at 7.00 pm (Sydney time) on 25 November 2016 at the Offer Price of A\$0.60 per Share.

The Offer Price represents an approximate:

- discount of 28% to the closing Share price on 17 November 2016 (being the last trading day of the Shares before the announcement of the Entitlement Offer);
- discount of 18% to the 30 day volume weighted average price (**VWAP**) of Shares prior to 17 November 2016 (being the last trading day of the Shares before the announcement of the Entitlement Offer); and
- discount of 3% to the 90 day VWAP of Shares prior to 17 November 2016 (being the last trading day of the Shares before the announcement of the Entitlement Offer).

The proceeds of the Entitlement Offer will be used to accelerate the business development and sales of the Company's products by growing the global sales team and increasing focus on product development, and to supplement working capital to support the roll out of the SaaS business model.

The Entitlements are non-renounceable. This means that Eligible Shareholders who do not take up all or any part of their Entitlements may not trade their Entitlements on ASX or otherwise transfer their Entitlements off-market. Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements that they do not take up.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited. The maximum number of New Shares which may be issued under the Entitlement Offer is 6,213,962 (subject to rounding and assuming no convertible securities in Volpara are converted into Shares before the Record Date).

This is an exciting time for Volpara and its Shareholders. Since listing on ASX in April 2016, we have built the foundation for future revenue growth, through our investment in our people and products, and our shift to a subscription style (SaaS) revenue model with initial sales. Recent developments including the announcement of a new Breast Cancer Risk Assessment Model including breast density for the first time and a collaboration announced with Microsoft for a collaboration around breast imaging analytics based on the next generation of **VolparaEnterprise™ 2.0**.

With this in place our outlook for the next 12 months is positive, as awareness of Volpara, the drivers for adoption of our breast density and quality assurance solutions continue to strengthen.

This Prospectus contains important information about the Entitlement Offer, including a personalised Entitlement and Acceptance Form which details your Entitlement to New Shares in Volpara. If you are an Eligible Shareholder, and you wish to apply for all or some of the New Shares making up your Entitlement, you must submit your payment of the Application Monies through BPAY® or, if you are unable to pay via BPAY®, complete the accompanying Entitlement and Acceptance Form and lodge it together with a cheque or bank draft for the relevant Application Monies. If paying by BPAY® you do not need to return the Entitlement and Acceptance Form. Eligible Shareholders can also apply for Shortfall Shares under a shortfall facility comprising the New Shares not taken up by Eligible Shareholders and the New Shares that would have been issued to Ineligible Shareholders. Sufficient Application Monies will be required to pay for their entire Entitlement plus the Shortfall Shares desired, all at the Offer Price.

This Prospectus should be read carefully and in its entirety before deciding whether or not to participate in the Entitlement Offer. In particular, you should consider the investment risks outlined in Section 4 before deciding whether or not to participate.

If you have any questions in respect of the Entitlement Offer, please consult your stockbroker, accountant, lawyer or other professional adviser.

On behalf of the board of Directors of Volpara, I invite you to consider this investment opportunity and thank you for your ongoing support of our Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Allen' with a stylized flourish at the end.

Roger Allen AM
Chairman

1 INVESTMENT OVERVIEW AND KEY RISKS

Question	Answer	Where to find more information
What is the Entitlement Offer?	The Entitlement Offer constitutes the offer of 1 New Share for every 20 Shares held, at an Offer Price of A\$0.60 per New Share.	Section 3
What is the Placement that is referred to?	<p>The Placement was an offer of new Shares to institutional and sophisticated investors that was conducted immediately prior to lodgement of this Prospectus. The Placement raised approximately \$7 million (before expenses).</p> <p>The Shares subscribed under the Placement are expected to be issued on 28 November 2016.</p>	Section 2.1
Who can participate in the Entitlement Offer?	<p>Only Eligible Shareholders can participate in the Entitlement Offer.</p> <p>Eligible Shareholders are Shareholders of Volpara with registered addresses in Australia, New Zealand or the United Kingdom and who are registered holders of Shares at the Record Date.</p>	Section 3.2
What if I am a resident of a country outside Australia, New Zealand or the United Kingdom?	In accordance with the ASX Listing Rules, the Company has determined that it is not practical for Shareholders with registered addresses in jurisdictions outside Australia, New Zealand or the United Kingdom to participate in the Entitlement Offer, having regard to the number and value of New Shares they would be offered, the number of Shareholders in those jurisdictions and the cost of complying with those regulatory requirements in those jurisdictions.	Section 3.3
How much do I have to pay to participate in the Entitlement Offer?	<p>The Offer Price for each New Share is A\$0.60.</p> <p>You may subscribe for all, or part, of your Entitlement. You may also subscribe for Shortfall Shares in excess of your Entitlement (see below).</p>	Section 3.1
What is the purpose of the Entitlement Offer?	Proceeds from the Entitlement Offer will be used to accelerate the business development and sales of the Company's products by growing the global sales team and increasing focus on product development, and to supplement working capital to support the roll out of the SaaS business model.	Section 2
Can I apply for New Shares in excess of my Entitlement?	Eligible Shareholders who subscribe for their full Entitlement may apply for more New Shares than the number shown on their Entitlement and Acceptance Form. New Shares will be available under the Shortfall Facility with respect to Entitlements of Ineligible Shareholders and if other Eligible Shareholders do not take up their Entitlements. The Shortfall Facility is provided in advance of the Underwriter having access to the Shortfall. No Eligible Shareholder may apply for New Shares in breach of any applicable law, including the Takeovers Code of New Zealand. Further details on how to apply for Shortfall Shares is set out in Section 6.3.	Section 6.3

Is the Entitlement Offer underwritten?	<p>The Entitlement Offer is fully underwritten by Morgans Corporate Limited.</p> <p>The terms of the Underwriting Agreement are summarised in Section 7.4, including circumstances under which the Underwriting Agreement may be terminated by the Underwriter.</p>	Section 7.4
What is the effect of the underwriting?	<p>If there is still a Shortfall after the application process for New Shares under the Entitlement Offer and once the Shortfall Facility has been completed, the Underwriter's obligations take effect subject to the terms of the Underwriting Agreement. The Company reserves the right, including as proposed by the Underwriter, to place any Shortfall with persons interested in subscribing for Shares in the Company following the close of the Entitlement Offer and the Shortfall Facility. Any placement of the Shortfall will be made, at the latest, within three months after the close of the Entitlement Offer.</p>	Section 7.4
What are the terms of the New Shares?	<p>The New Shares proposed to be issued under the Entitlement Offer will be fully paid and will rank equally with all existing Shares. The key rights and obligations attaching to the New Shares are set out in Volpara's constitution, a copy of which can be obtained from the Company's announcements platform on ASX. These terms are summarised in Section 5.</p>	Section 5
What are the risks associated with applying for New Shares under the Entitlement Offer?	<p>An investment in Volpara involves general risks associated with any investment in the share market, including that the price of New Shares may rise or fall.</p> <p>There are also a number of risk factors, both specific to Volpara and of a general nature, which may affect the future operating and financial performance of Volpara and the value of an investment in Volpara. A number of these risks are described in Section 4 and Eligible Shareholders are recommended to read these risks carefully before deciding whether to apply for New Shares or Shortfall Shares.</p>	Section 4
What will be the likely effect of the Entitlement Offer on control of the Company?	<p>Since the Entitlement Offer is fully underwritten it is expected that the Entitlement Offer will have no effect on control of the Company, even if Eligible Shareholders do not take up their Entitlements.</p>	Section 2.5
What can I do with respect to my Entitlements?	<p>You may:</p> <ul style="list-style-type: none"> • take up all of your Entitlement (with or without application for Shortfall Shares); • take up part of your Entitlement and allow the balance of your Entitlement to lapse; or • do nothing and allow all of your Entitlement to lapse. <p>Any Entitlements to New Shares not taken up by you are proposed to be dealt with under the Shortfall Facility. If following that process, not all Entitlements have been taken up, the New Shares that would have been issued on exercise of any remaining Entitlements will be placed or taken up by the Underwriter under the Underwriting Agreement.</p>	Section 6

How do I accept my Entitlement?	<p>If you are an Eligible Shareholder, and you wish to apply for all or some of the New Shares making up your Entitlement, you must submit payment of the Application Monies through BPAY®, or if you are unable to use BPAY®, you must complete the accompanying Entitlement and Acceptance Form and lodge it together with a cheque or bank draft for the Application Monies. If paying by BPAY® you do not need to return the Entitlement and Acceptance Form.</p> <p>Please refer to Section 6.2 for further details on how to accept your Entitlement.</p> <p>If you have not received a personalised Entitlement and Acceptance Form, or if you have any queries about how to accept your Entitlement, please call the Share Registry on 1300 737 760 within Australia or +61 2 9290 9600 outside Australia at any time between 8.15am and 5.30pm (Sydney time) Monday to Friday until the Closing Date.</p>	Section 6.2
Can I sell or transfer my Entitlement?	No. The Entitlement Offer is non-renounceable and Eligible Shareholders may not sell, trade or transfer any part of their Entitlement on ASX or off-market.	Section 3.1
Issue of New Shares and Quotation	<p>Volpara expects to issue the New Shares and to dispatch holding statements for the New Shares around 22 December 2016.</p> <p>Volpara has applied to ASX for quotation of the New Shares on ASX in accordance with the Listing Rules. Quotation of the New Shares is expected to commence around 23 December 2016. If for whatever reason ASX does not grant quotation of the New Shares, Volpara will repay all Application Monies (without interest).</p>	Section 3
How can I obtain further information?	<p>If you have any questions in respect of the Entitlement Offer, please contact the Share Registry on 1300 737 760 within Australia or +61 2 9290 9600 outside Australia at any time between 8.15am and 5.30pm (Sydney time) Monday to Friday until the Closing Date.</p> <p>Volpara also encourages you to seek advice from your stockbroker, accountant, lawyer or other professional adviser in respect of the Entitlement Offer including any possible tax consequences.</p>	

2 PURPOSE OF ENTITLEMENT OFFER AND EFFECT OF THE ENTITLEMENT OFFER ON THE COMPANY

2.1 Company update

Since listing on ASX on 27 April 2016, following the successful A\$10 million capital raising, the Company has reported increased revenue of NZ\$1.22 million (up 4.8%) for the first half of FY17 (commencing 1st April 2016) and has achieved the following milestones:

- expanded its sales team across North America, Europe and APAC to 10 people;
- expedited the development of its cloud-based clinical management software, VolparaEnterprise™ 1.0, marking the commencement of its transition to a SaaS subscription-style revenue model;
- delivered first sales of VolparaEnterprise™ to Women's and Breast Imaging in Perth, Western Australia, and Breast Imaging Specialists in Los Gatos, California, and Stanford University Hospital, California;
- featured VolparaDensity™ in several academic and clinical validation studies, highlighting the importance of breast density in the detection of cancer and further strengthening the VolparaDensity™ position as the breast density measurement tool with the highest level of clinical validation;
- presented at the FDA-hosted National Mammography Quality Assurance Advisory Committee (NMQAAC), an important opportunity to showcase the quality control features of VolparaEnterprise™ in the context of the FDA's focus on quality control in mammogram screening and the discussion about reporting breast density to patients;
- announced the fitness of the automated quality assurance features in VolparaEnterprise™ to assist clinics in complying with the new quality requirements of the FDA's newly launched (late October 2016) "Enhancing Quality Using the Inspection Program (EQUIP)" initiative, beginning 1 January 2017, for all approximately 8,744 US breast screening clinics to report on ongoing clinical image quality and have processes in place to improve that quality;
- in October 2016, had its VolparaDensity™ product announced as included in latest Tyrer-Cuzick Breast Cancer Risk Assessment Tool (version 8). Widely recognised by clinicians and payors worldwide, the Tyrer-Cuzick Risk Assessment Tool (v8) will include breast density alongside family history and genetic factors to aid decision-making process regarding breast cancer screening. This is a major validation of Volpara's technology. It is the only commercial density score that appears to have been selected for inclusion into the Tool;
- in November 2016, announced with Microsoft their collaboration around breast imaging analytics based on the next generation of VolparaEnterprise™ 2.0, which will help breast imaging centres analyse clinical, quality and business data to optimise productivity, quality assurance and patient care; and
- immediately prior to the announcement of the Entitlement Offer the Company completed an institutional placement of new Shares at A\$0.60, the same price as the Offer Price, to raise approximately A\$7 million.

A list of ASX announcements made by the Company since the date of lodgement of the Company's 2016 annual financial report, including announcements containing details of recent developments, is set out in Section 7.1. These announcements can be viewed on the Company's website, at www.volparasolutions.com/investor-information/asx-company-news/, or a copy can be obtained free of charge from the Company's principal place of business in New Zealand (see the Corporate Directory) during normal office hours.

2.2 Purpose of the Entitlement Offer and use of funds

The Company is raising funds under the capital raising to accelerate the development of the business and to help increase sales of the Volpara Products. The proceeds from the Entitlement Offer will be used to grow the global sales team and to increase the focus on product development, as well as to supplement the Company's working capital to support the roll out of the SaaS business model.

2.3 Effect of the Entitlement Offer on financial position

The effect of the Entitlement Offer on the financial position of the Company will be to increase the Company's cash reserves by approximately \$3.7 million (before expenses). Together with the proceeds from the Placement, the Company's cash reserves will increase by approximately \$10.7 million (before expenses).

The pro forma financial position of the Company based on the cash position of the Company as at the half-year ended 30 September 2016 is as follows:

Application of proceeds	A\$
Cash on hand – 30 September 2016	\$6.4 million (NZ\$6.795 million)
Add: Proceeds from Placement	\$7.0 million
Add: Proceeds from Entitlement Offer	\$3.7 million
Less: Placement and Entitlement Offer costs	\$0.5 million
Pro forma cash on hand – 30 September 2016	\$16.6 million

2.4 Effect of the Entitlement Offer on Volpara's share capital

Assuming that the maximum number of New Shares is issued under the Entitlement Offer and assuming none of the Company's existing Options are exercised or converted before the Record Date, the indicative capital structure of the Company will be as follows:

Shares	Number
Shares on issue as at date of announcement of the Entitlement Offer	124,279,240
Shares to be issued under the Placement	11,600,000
New Shares offered under the Entitlement Offer (subject to rounding and assuming no convertible securities are converted to Shares by the Record Date)	6,213,962
Total Shares on issue on close of the Entitlement Offer	142,093,202

At the date of this Prospectus, the Company also has a total of 14,636,000 unlisted Options on issue some of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Unless they are exercised into Shares prior to the Record Date, the Options do not carry an entitlement to participate in the Entitlement Offer.

2.5 Effect of the Entitlement Offer on control of the Company

Since the Entitlement Offer is fully underwritten it is expected that the Entitlement Offer will have no effect on control of the Company, even if Eligible Shareholders do not take up their Entitlements.

(1) **Underwriter**

The Underwriter, nor any of its associates, will as a result of the Entitlement Offer, have a voting power of 20% or more in the Company.

(2) **Others**

Under the New Zealand Takeovers Code, a person (together with their associates) may not become the holder or controller of an increased percentage of the voting rights in the Company unless, after that increase, the total voting rights they hold or control is no more than 20% of the total voting rights in the Company. Exceptions to this rule apply where the increase is made in accordance with specific processes set out in the Code (including, but not limited to, full and partial takeover offers, and acquisitions with shareholder approval). Each Eligible Shareholder to whom the New Zealand Takeovers Code applies will need to be comfortable that their (and their associates') participation in the Entitlement Offer will comply with that Code. If you are uncertain about the application of the New Zealand Takeovers Code to you, and its effect, you should seek the advice of an appropriately qualified legal adviser. In considering applications for Shortfall Shares the Company will, where necessary, scale back any applications so that no Eligible Shareholder's voting power exceeds 20%. Each of the Directors has agreed that it will not participate in the Entitlement Offer beyond its pro rata Entitlement, and as such, will not be participating in the Shortfall Facility.

(3) **Dilution**

Shareholders who do not participate in the Entitlement Offer will have their holdings diluted. The following is a table which sets out the dilutionary effect, assuming the maximum number of New Shares are issued and no further Shares are issued or Options exercised before the Record Date:

Holder	Holding at Record Date		Entitlement	Holding following the Entitlement Offer if no Entitlements taken up	
	Number	%		Number	%
1	1,000,000	0.805	50,000	1,000,000	0.704
2	500,000	0.402	25,000	500,000	0.352
3	100,000	0.080	5,000	100,000	0.070
4	50,000	0.040	2,500	50,000	0.035
5	5,000	0.004	250	5,000	0.004

Note – The percentage holding at the Record Date does not take into account the dilution in Shareholders' holdings that will arise as a result of the issue of the Shares under the Placement.

3 DETAILS OF ENTITLEMENT OFFER

3.1 Shares offered for subscription

By this Prospectus, the Company makes a fully underwritten non-renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every 20 Shares held on the Record Date at an offer price of A\$0.60 per New Share. As the Entitlement Offer is fully underwritten, it will raise up to approximately A\$3.7 million.

The Entitlement Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at Section 6.

All New Shares offered under this Prospectus will rank equally with existing Shares. The rights and liabilities of the New Shares are summarised in Section 5.

Investment risks connected with an investment in the New Shares are set out in Section 4.

3.2 Eligible Shareholders

The Entitlement Offer is made to Eligible Shareholders, who are those Shareholders that:

- (1) are the registered holder of Shares as at 7.00pm (Sydney time) on the Record Date; and
- (2) have a registered address in Australia, New Zealand or the United Kingdom.

3.3 Treatment of Ineligible Shareholders

Given the small number of Shareholders outside Australia, New Zealand and the United Kingdom and the cost of complying with applicable regulations in the jurisdictions in which those Ineligible Shareholders are resident, the Company has decided that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Entitlement Offer. No action has been taken to register or qualify the New Shares or the Entitlement Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than in Australia, New Zealand or the United Kingdom.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia, New Zealand or the United Kingdom (other than to Eligible Shareholders).

3.4 Notice to Nominees and Custodians

Volpara is not required to determine whether or not any registered holder is acting as nominee or the identity or residence of any beneficial owners of Shares or Entitlements. Where any

nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

Volpara is not able to advise on foreign laws. Nominees and custodians may not distribute any part of this Prospectus in the United States or in any other country outside Australia, New Zealand or the United Kingdom, except to beneficial shareholders who are institutional investors in other jurisdictions to the extent permitted under Section 3.3.

3.5 Option holders

Any existing option holders will not be entitled to participate in the Entitlement Offer with respect to their options unless they have become entitled to exercise their existing options under their terms of issue, and do exercise those options in sufficient time to become the registered holder of Shares prior to the Record Date.

3.6 Shortfall

If you do not wish to take up any part of your Entitlement, you are not required to take any action.

Eligible Shareholders who subscribe for their full Entitlement may apply for more New Shares than the number shown on their Entitlement and Acceptance Form. New Shares will be available under the Shortfall Facility with respect to Entitlements of Ineligible Shareholders and if other Eligible Shareholders do not take up their Entitlements. The Shortfall Facility is provided in advance of the Underwriter having access to the Shortfall. No Eligible Shareholder may apply for New Shares in breach of any applicable law, including the Takeovers Code of New Zealand.

The Company reserves the right, including as proposed by the Underwriter, to place any Shortfall Shares with persons interested in subscribing for Shares in the Company following the close of the Entitlement Offer and the Shortfall Facility. Any placement of the Shortfall Shares will be made, at the latest, within three months after the close of the Entitlement Offer.

3.7 Rounding of entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares. Due to rounding, the number of Shares to be issued to Applicants under the Entitlement Offer may end up slightly more, or less, than the expected maximum number of Shares to be issued under the Entitlement Offer. Any such discrepancy is not expected to be material in the context of the Company's issued share capital.

3.8 Investment Risks

Section 4 details important factors and risks that could affect the financial and operating performance of Volpara. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

3.9 Taxation

Shareholders should be aware that there may be taxation implications of participating in the Entitlement Offer. Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences for Shareholders.

3.10 Quotation

The Company has applied to ASX on 22 November 2016 for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within three months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after holding statements for the New Shares are dispatched to Shareholders.

3.11 Issue of New Shares and application money

New Shares will be issued once each Acceptance and Entitlement has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 22 December 2016 and normal trading of the New Shares on ASX is expected to commence on 23 December 2016.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the New Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

3.12 Holding statements and trading of New Shares

Confirmations are expected to be dispatched to Shareholders on 22 December 2016 in respect of New Shares allotted under the Entitlement Offer.

It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk. Volpara and the Underwriter disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their confirmations, whether on the basis of confirmation of the allocation provided by Volpara, the Share Registry or the Underwriter, or otherwise.

3.13 No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

3.14 Market prices of Shares on ASX

The highest and lowest closing price of the Shares on ASX, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with ASIC, and the last closing price of Shares on ASX on the last trading day prior to announcement of the Entitlement Offer, are set out below.

	3 month high	3 month low	Last closing price
Price (A\$)	0.845	0.41	0.835
Date	25 October 2016	14 September 2016	17 November 2016

3.15 Enquires

If you have any questions in respect of the Entitlement Offer, please contact the Share Registry on 1300 737 760 within Australia or +61 2 9290 9600 outside Australia at any time between 8.15am and 5.30pm (Sydney time) Monday to Friday until the Closing Date.

4 RISK FACTORS

4.1 Introduction

Volpara is subject to various risk factors. Some of these are specific to Volpara's business activities. Others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of Volpara, its investment returns and the value of an investment in the New Shares. Each of the risks set out in this Section 4, if they eventuate, could have a material adverse impact on Volpara's business, financial condition and results of operations.

Investors should be aware that this Section 4 does not purport to list every risk that may be associated with acceptance of the Entitlement Offer or the digital health segment in which Volpara operates now or in the future. The occurrence or consequences of some of the risks described in this Section 4 are partially or completely outside of the control of Volpara, its Directors and its management team. This Section 4 should be read in conjunction with other information disclosed in this Prospectus. There can be no guarantee that Volpara will achieve its stated objectives or that any forward-looking statements will be realised or otherwise eventuate.

The selection of risks has been based on the assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

Before accepting the Entitlement Offer, investors should satisfy themselves that they have a sufficient understanding of these matters and should consider whether New Shares are a suitable investment for them, having regard to their own investment objectives, financial circumstances and taxation position. If investors are unclear in relation to any of the risks outlined in this Section 4 or are uncertain as to whether Volpara is a suitable investment for them, they should seek professional guidance from their solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

4.2 Risks specific to an investment in Volpara

The New Shares to be issued under the Entitlement Offer do not guarantee the payment of dividends, return of capital or any increase in their market value. The list of risk factors below should be carefully considered, together with the information contained elsewhere in this Prospectus, before deciding to apply for New Shares.

Type of risk	Description of risk
<i>The Company has a limited operating history and may face difficulties encountered by companies early in their commercialisation</i>	<p>Volpara was established in 2009 and has a limited operating history upon which to evaluate its business and forecast future net sales and operating results. In assessing Volpara's business prospects you should consider the various risks and difficulties frequently encountered by companies early in their commercialisation in competitive markets, particularly companies that develop and sell medical technology. These risks include Volpara's ability to:</p> <ul style="list-style-type: none">• implement and execute its business strategy;• expand and improve the productivity of its sales force and marketing programs;• increase awareness of its brand and build loyalty among healthcare professionals;• manage expanding operations;• respond effectively to competitive pressures and developments;• deal with increasing and more complex regulatory oversight in global

Type of risk	Description of risk
	<p>jurisdictions; and</p> <ul style="list-style-type: none"> successfully implement new features to the Volpara Products and, if required, obtain any amendments to regulatory approvals related to the new features.
<i>Volpara's current business model depends heavily on the success of VolparaDensity and VolparaEnterprise and Volpara's ability to diversify in the future</i>	<p><i>VolparaDensity</i> and <i>VolparaEnterprise</i> have obtained the required regulatory approvals in the US, the EU, Canada, Australia, New Zealand and other countries, where the product is already sold and generates revenue. Volpara expects to derive the majority of its revenue in the foreseeable future from sales of its <i>VolparaDensity</i> breast imaging technology and <i>VolparaEnterprise</i> quality assurance SaaS products. Volpara's ability to generate revenue will therefore largely depend on how effectively it can market and distribute its product range in the above markets and after obtaining any necessary regulatory approvals in other jurisdictions. If the Company is unable to achieve meaningful market penetration with its product range, its commercial strategy will be unachievable and Volpara will need to reconsider its business model.</p> <p>Volpara is transitioning from a classic medical device sales model to enterprise-wide management solutions for healthcare professionals, for example through cloud-based <i>VolparaEnterprise</i>, which are more naturally priced as SaaS products. This switch from upfront pricing to SaaS pricing might be difficult and might impact short-term revenues.</p> <p>One of the reasons breast centres are buying <i>VolparaDensity</i> is to use it as a gateway to ultrasound for additional screening if the breast is dense. If ultrasound as a screening modality fails to take off, and nothing else takes its place, then this will impact on Volpara's growth plans in the density market and on Volpara's financial performance.</p> <p>Volpara's products are based around analysis of digital and 3D breast x-rays, which are the mainstay of breast cancer screening. If a new imaging modality, or a blood test, or something similar, comes out that significantly improves detection of cancer at a lower cost, then Volpara will need to diversify or adapt quickly. Volpara is not currently aware of any new imaging modality, blood tests, or anything similar, being available in the market.</p>
<i>Future profitability uncertain</i>	<p>Volpara is still in an early sales and commercialisation stage for the Volpara Products. To date, it has funded its operations principally through issuing securities and other domestic capital-raising activities. Volpara is not yet profitable and has incurred losses in each year since incorporation. Volpara has achieved early revenue principally in the US, however there is no guarantee that Volpara will be able to continue to grow in the US or in other key jurisdictions such as the EU. Volpara's ability to operate profitably in the future will depend in part on whether it is able to effectively utilise its own direct sales force and/or develop an international distribution network on appropriate terms. If Volpara fails to penetrate, or further penetrate, the international markets (including the US market) for its products, Volpara may never become profitable. Other factors that will determine Volpara's profitability are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of any profitability cannot be predicted.</p>
<i>Business Associate Agreements (BAA) and dealing with protected health</i>	<p>Volpara's existing revenue stream is heavily dependent on a number of BAA with hospitals and clinics in the US. In the US this is driven by the requirements of HIPAA, which provides that healthcare providers in the US who deal with PHI, being specific PHI that is governed by HIPAA and its associated</p>

Type of risk	Description of risk
information	<p>regulations, must enter into a BAA with any third parties who receive that PHI in the course of performing services for, or on behalf of, that covered entity. Part of the purpose of the BAA is to ensure that third-party service providers are subject to the same obligations relating to the security of PHI as those that apply directly to covered entities under HIPAA. Under the terms of a BAA it is customary for the hospital or clinic to insist that Volpara is liable for any unauthorised access to, or use or disclosure of, PHI while it is under the control of Volpara or its employees and contractors. While Volpara seeks to limit this liability to a monetary cap in negotiating these contracts, it is not always possible for Volpara to do so, and in some cases Volpara's liability is not limited. Following recent changes to HIPAA regulations, Volpara can also be found to be directly liable to the US authorities for a breach of obligations under the HIPAA regime.</p> <p>While Volpara seeks to mitigate the risk of an inadvertent disclosure of PHI or a breach of privacy relating to PHI by its employees or contractors by putting in place appropriate internal security measures and training, and taking out insurance cover, if a breach were to arise and Volpara is found to be liable and subject to a payment of damages, this could have a material adverse effect on the financial performance and reputation of Volpara.</p> <p>Further, as Volpara moves progressively to a cloud-based information storage system, new risks for the storage of PHI and the maintenance of confidentiality of PHI will arise. Volpara will attempt to mitigate such cyber risks by ensuring that any such cloud-based system has HIPAA-compliant firewalls, but that in itself may not be sufficient. Any cloud-based system is subject to cyber-attacks or negligent or malicious action by an employee or contractor, and any inadvertent disclosure of PHI or breach of confidentiality of PHI while under the control of Volpara or its employees and contractors could lead to a damages claim and, if the Company is found liable, could have a material adverse effect on Volpara's reputation and financial performance.</p>
Brand and reputation risk	<p>The reputation and brand of Volpara and its products are important in attracting hospitals, medical clinics, large companies and radiologists to use Volpara's products. Any reputation damage or negative publicity around Volpara or its products could adversely impact on Volpara's business.</p>
Volpara is reliant on the acceptance, promotion and usage of its products by healthcare professionals	<p>Regulatory approval and clearance of its products, including in Australia and the US, will not guarantee market adoption of Volpara Products. In order to achieve commercial success, Volpara is reliant on the acceptance and promotion of its products by healthcare professionals, including radiologists. Reasons that healthcare professionals may be slow to adopt the Volpara Products include (but are not limited to):</p> <ul style="list-style-type: none"> • preference for the products of competitors due to familiarity with those products or for various other reasons; • new Volpara Products failing to perform to expected standards; • limited data being available that may illustrate return on investment and cost benefits to healthcare professionals of the use of Volpara Products; and • concern over the potential liability risks involved in using a new product.
Recruitment and retention of key personnel	<p>As a relatively young and relatively closely held company, Volpara relies heavily on its existing key management personnel, who have intimate knowledge of the business, its products and its business model. If a member of Volpara's key management personnel were to resign or leave the business this could have an adverse effect on Volpara's performance; and there is no guarantee that Volpara could attract a suitably qualified replacement, or if it is able to do so, how long it may take for Volpara to attract and employ a suitably qualified</p>

Type of risk	Description of risk
	<p>replacement.</p> <p>Volpara has grown its sales and marketing teams in the US, Asia and Europe, and is aiming to continue to grow those teams, however its ability to secure sales as a consequence of the growth of those teams may adversely impact on Volpara's growth plans and its ability to grow revenue.</p> <p>While Volpara has a structured incentive program for its key personnel these measures alone may not be sufficient to retain existing personnel, or to attract new personnel in a timely manner, which could negatively affect Volpara's ability to reach its goals.</p>
<p><i>Potentially adverse effects of healthcare reform legislation in the US and other countries and the impact of advocacy groups and sceptics</i></p>	<p>In recent years, there have been numerous initiatives at the US federal and state levels for comprehensive reforms affecting the payment for, the availability of, and the reimbursement for, healthcare services. Recent legislation and many of the proposed reform bills include funding to assess the comparative effectiveness of medical devices, being the equipment on which the Volpara Products operate. It is unclear what impact the comparative effectiveness analysis will have on the Volpara Products or Volpara's financial performance. If significant reforms are made to the healthcare system in the US (the risk of which could be increased following the forthcoming change of Government in the US), or in other jurisdictions, those reforms could adversely affect Volpara's financial condition and operating results.</p> <p>Further, the use of breast screening and mammogram is under attack globally by various advocacy groups and sceptics. If governments listen to these groups and decide to restrict or cease funding breast screening altogether, this could have a material adverse impact on Volpara's financial performance.</p>
<p><i>Volpara may not be able to pass the regulatory hurdles and gain the necessary approvals and clearances to use its products in certain jurisdictions</i></p>	<p>Volpara currently has FDA clearance (FDA 510(k)) for its products <i>VolparaDensity</i> and <i>Volpara Density Maps</i> (currently commercially unavailable), and for its quality controls tool.</p> <p>However, as Volpara seeks to diversify its product range and develop new products, Volpara cannot guarantee that it will receive all necessary regulatory approvals, nor can Volpara accurately predict the product approval timelines, cost or other requirements that may be imposed by regulators (e.g. clinical trials or other requirements proving effectiveness of its new products). Further, there may be changes to regulatory standards, which could delay or prevent Volpara from obtaining the necessary regulatory approvals. In addition, any future changes to the treatment may require separate clearance or approval.</p> <p>Any delays or barriers to Volpara obtaining necessary regulatory clearances would limit the size of the market opportunity for the new products until such time (if any) that Volpara was able to obtain such clearances for its new products.</p>
<p><i>Patent rights</i></p>	<p>The value of Volpara's products depends, in part, on securing rights to the intellectual property Volpara develops. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patent disputes for which there is no guaranteed outcome. Volpara is relying on its ability to obtain and maintain patent protection of its products. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing intellectual property that circumvents such patents. The patent position of medical technology companies can be highly uncertain and frequently involves complex legal and scientific evaluation. Therefore, not all patent claims may be allowed and not all patents may be enforceable. There can be no assurance that any patents Volpara owns, controls or licenses now or in the future will give Volpara commercially significant protection of the intellectual property, or that any of the products that may arise from the intellectual property will have commercial success. Similar to other companies</p>

Type of risk	Description of risk
	operating in the software industry, Volpara could fall victim to attempts by a non-practising entity (commonly referred to as a patent troll) looking to enforce patent rights against Volpara with the sole aim of gaining financial reward through settlement, licensing or litigation.
<i>Infringement of third-party intellectual property rights</i>	<p>Volpara does not believe that it is currently infringing any third party's intellectual property rights. However, in the future Volpara may be subjected to infringement claims or litigation arising out of patents and pending applications for patents involving competitors, or additional proceedings initiated by third parties, the US Patent and Trademark Office, the European Patent Office or other intellectual property regulators to re-examine the patentability of licensed or owned patents. Volpara itself may be the victim of an infringement of its own patents and other intellectual property rights.</p> <p>The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming to pursue, and their outcome is uncertain. If Volpara infringes the rights of third parties, Volpara could be prevented from selling its products and be forced to defend litigation and pay damages. Further, there is always a risk of third parties claiming involvement in, or membership of, technological advances contained in Volpara's products and, if any disputes arise, they could adversely affect the financial performance and reputation of Volpara.</p> <p>In addition, under a number of commercial contracts, Volpara indemnifies both the counterparty to the contract, and an end user of its product, against any claims for an infringement of third-party intellectual property. A successful infringement claim could have substantial financial and reputational implications on Volpara.</p>
<i>Trade secrets</i>	In addition to its patent and licensing activities, Volpara also relies on protecting its trade secrets. The protective measures Volpara employs may not always be sufficient to protect its trade secrets. This could erode its competitive advantage. Volpara also cannot be certain that others will not independently develop similar technologies on their own or gain access to trade secrets or have disclosed to them such technology, or that Volpara will otherwise be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret. This could allow competitors to commercialise products in competition with Volpara's products. Although Volpara implements reasonable endeavours to protect its trade secrets, these measures may not always be sufficient.
<i>Volpara may not be able to successfully deploy its sales, marketing and distribution resources</i>	Volpara will need to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution in each relevant market. There is a risk that Volpara will be unable to successfully deploy its sales, marketing and distribution resources to fully realise the commercialisation of its products.
<i>Industry and competition</i>	Volpara's competitors include, and potential competitors may include, companies with substantially greater resources and access to more markets. Therefore, competitors may succeed in developing products that are more effective or otherwise commercially superior to those developed, or being developed, by Volpara or which could render Volpara's products obsolete and/or otherwise uncompetitive. In addition, Volpara may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely impact Volpara's future business, operating results and financial position.

Type of risk	Description of risk
<i>Volpara may be subject to competition from existing manufacturers of breast screening equipment</i>	<p>Volpara's products are designed to operate on most of the leading breast screening equipment manufactured globally, including equipment manufactured by market leaders Hologic, GE and Siemens. However, manufacturers such as Hologic also manufacture their own software, which can be used on their own equipment and possibly on other manufacturers' equipment. There is a risk that manufacturers such as Hologic make it a condition of the sale of their equipment that Hologic software be used with that equipment, and offer the product for free. This may make it more difficult for healthcare professionals to adopt Volpara's products and use them with their equipment, even though Volpara can successfully demonstrate that its products are superior to those being offered by the equipment manufacturers. If this were to happen, Volpara is likely to experience pressure on its sales, which would impact on its financial performance.</p> <p>In addition, equipment manufacturers could encrypt the data on their equipment that is needed for the Volpara Products to operate, therefore making it impossible for Volpara to process images. This risk is somewhat diminished due to global standards imposed on equipment manufacturers.</p> <p>Further, the <i>VolparaDensity</i> and <i>VolparaEnterprise</i> products produce a radiation dose score for each screening so that the patient is aware of the extent of their exposure to radiation. Each manufacturer's equipment tends to give a different radiation dose with some doses being higher than others. There is a risk that a manufacturer may make a claim against Volpara that its radiation score is not accurate or that it is misleading and that it is damaging the reputation of that manufacturer. While Volpara considers this risk to be low given that its product calculates radiation doses based on internationally accepted algorithms, if a claim is made against Volpara, Volpara may suffer reputational damage as well as damage to its financial performance.</p>
<i>Further product development</i>	<p>Volpara continues to invest in its product development in order to stay ahead of any emerging competition. In addition to its <i>VolparaDensity</i> product range, Volpara has developed and installed its <i>VolparaEnterprise</i> product in customer sites.</p> <p>Further development of new products is expensive due to regulatory and quality requirements, which have to be met prior to clinical testing, and it is possible that this expense could hamper Volpara's ability to develop new products.</p> <p>Volpara cannot give any guarantee that further product development will be successful, that development milestones will be achieved or that Volpara's intellectual property will be developed into further products that are commercially exploitable. There are many risks inherent in the development of technologies and related products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or may cease to be viable for a range of scientific and commercial reasons.</p>
<i>Potential clawback of grant funding</i>	<p>To date Volpara has been the recipient of funding under grant and project agreements that include provisions allowing the funding authority to claim some or all of that funding back if Volpara fails to comply with the terms of the relevant agreement or in some cases enters into a contract that would, in the reasonable opinion of the funder, materially reduce the benefit to New Zealand anticipated from the project that was the purpose of the initial grant or funding.</p> <p>Volpara is aware of its obligations under its funding agreements and is not currently aware of any action or event that could lead to a funder threatening a clawback.</p>
<i>Risks associated with possible future acquisitions</i>	<p>As part of its business strategy, in the future Volpara may make acquisitions or significant investments in complementary companies, products or technologies. No such acquisitions or investments are currently planned. Any such future</p>

Type of risk	Description of risk
	transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, including integration risk.
<i>Volpara may be involved in litigation or other disputes</i>	<p>Volpara may be involved from time to time in disputes or claims, including medical indemnity, product liability or breach of contract disputes or claims, with current or former customers and/or their patients. These disputes or claims may lead to legal and other proceedings, and may cause Volpara to suffer additional costs.</p> <p>If future litigation, or threatened litigation, against Volpara were to result in damages being awarded against Volpara, even with appropriate insurance cover in place it could have an adverse impact on the financial performance, position and future prospects of Volpara.</p> <p>Volpara may also have disagreements with regulatory bodies in the course of its operations that could result in its accreditations being revoked. This may prevent Volpara from claiming benefits from the relevant medical regulator that regulates the various jurisdictions in which Volpara operates.</p>

4.3 General risks

In addition to the specific risks outlined above, the operating results and profitability of the Company are sensitive to a number of general risk factors including those set out below.

The list of risk factors below should be carefully considered, together with the information contained elsewhere in this Prospectus, before deciding to apply for New Shares.

Type of risk	Description of risk
<i>Government and regulatory risk</i>	Changes in government, fiscal, monetary, environmental, taxation, regulatory policies and other laws may also affect the business of Volpara. The market in which Volpara provides products or services is subject to significant regulation which may increase or be changed by governmental or other regulatory authorities in the future. Changes to the regulatory framework could impact on Volpara and the industry in which it operates generally, and could result in an adverse impact on the financial position, performance, assets and operations of Volpara.
<i>Tax treatment on an investment in New Shares</i>	The tax treatment of an investment in New Shares will differ depending on each Investor's personal circumstances. Investors should seek their own taxation advice in respect of the investment into Volpara.
<i>Capital raising</i>	The Directors give no assurances that the objectives of Volpara outlined in this Prospectus will be met. The capital raising described in this Prospectus is intended to raise sufficient funds to fund expansion in sales and marketing activities, product and cloud development and working capital.
<i>Income and capital risk</i>	An investment in the New Shares is considered to be speculative in nature and the capital contributed and the returns projected are not guaranteed by Volpara, its Directors, officers or any other person. The speculative nature of the investment poses a risk and the capital may not be returned.

Type of risk	Description of risk
Taxation	Volpara is subject to various forms of taxation including but not limited to PAYG, GST and resident and non-resident withholding tax. An increase, change in the application, or introduction of a new tax could materially affect the performance and financial position of Volpara.
General economic and share market risk	<p>The performance of Volpara, in common with other companies, is subject to general economic conditions, movements in interest and inflation rates, prevailing global commodity prices and currency exchange rates which may have an adverse effect on Volpara's activities, as well as its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the New Shares regardless of Volpara's operating performance. Share market conditions can be affected by many market factors such as:</p> <ul style="list-style-type: none"> • general economic outlook; • interest rates and inflation rates; • currency fluctuations; • changes in investor sentiment towards equities or particular market sectors; • political instability; • short selling and other trading activities; • the demand for, and supply of, capital; and • force majeure events. <p>The market price of the New Shares can fall as well as rise and may be subject to varied and unpredictable influences on the share market. The trading price of the New Shares at any given time may be higher or lower than the Offer Price. Further, you may be unable to sell or realise your investment because the market for New Shares may be illiquid.</p>
Currency risk	Movements in currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities. In particular, the Company currently sources a significant proportion of its income from the US. Volpara's financial position may be substantially affected by future US currency exchange fluctuations as well as currency exchange fluctuations in other jurisdictions in which the Company operates.
Product liability insurance	<p>Volpara is exposed to potential product liability risks that are inherent in the research and development, manufacturing, marketing and use of its products.</p> <p>Volpara has product liability and professional indemnity insurance which the Directors consider is adequate at this time. However, there can be no assurance that adequate or necessary insurance coverage will continue to be available at an acceptable cost or in sufficient amounts, if at all, or that product liability or other claims would not materially and adversely affect the business or financial condition of Volpara (for instance, because the amount of such claims exceeds the level of insurance).</p>
Legal risk	Volpara is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on Volpara, its investments and/or returns to Shareholders or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against Volpara.
Dividend risk	Volpara has not to date paid any dividend on its ordinary shares. There is no certainty that Volpara will pay dividends in the future.

Type of risk	Description of risk
<i>Force majeure</i>	Events may occur within or outside Australia and New Zealand that could impact upon the global and/or Australian and New Zealand economies, the operations of Volpara and the price of its New Shares. Such events include, but are not limited to, acts of terrorism, cyber hostilities, outbreaks of international hostilities, fire, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that may have an adverse effect on the demand for Volpara Products or Volpara's ability to conduct business. Volpara cannot insure against all risks.

The above lists of risk factors should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser before deciding whether to apply for the New Shares.

5 RIGHTS AND LIABILITIES ATTACHING TO SHARES

5.1 Rights and liabilities attaching to Shares

Immediately after issue and allotment, the New Shares will be fully paid Shares and the New Shares will rank pari-passu with the Shares currently on issue.

The rights and liabilities attaching to the ownership of the Shares arise from a combination of the constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each Share held.

Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution, the Companies Act and the ASX Listing Rules.

Dividends

Currently the Company does not pay dividends. The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

Transfer of Shares

Subject to the constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Listing Rules or the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the constitution or, subject to compliance with the ASX Listing Rules and the ASX Settlement Operating Rules, by any other form approved by the Directors.

The Board may refuse to register a transfer of Shares where permitted to do so under the Companies Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Companies Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

Issue of further Shares

Subject to the Companies Act, the ASX Listing Rules, and the constitution, the Directors may issue and allot, or dispose of Shares on terms determined from time to time by the Directors at an offer price that the Directors determine from time to time. The Directors' power under the constitution includes the power to grant options and performance rights over unissued Shares.

Winding up

Without prejudice to the rights of the holders of Shares issued on special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of an ordinary resolution of

the Company, divide among the Shareholders in kind all or any of the Company's assets; and for that purpose, determine how it will carry out the division between the different classes of Shareholders, but the liquidator may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

Non-marketable parcels

The Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Share buy-backs

Subject to the Companies Act and the ASX Listing Rules, the Company may buy Shares on terms and at times determined by the Board.

Variation of class rights

At present, the Company's only class of securities on issue are the Shares. The rights attached to any class of securities may be varied in accordance with the Companies Act.

Amendment

The constitution may be amended only by special resolution passed by at least three-quarters of the Shareholders entitled to vote and who do vote (in person or by proxy) on the resolution at a general meeting of the Company. The Company must give at least 10 business days' written notice of a general meeting of the Company.

6 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

6.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

You may:

- (1) take up all of your Entitlement as described in Section 6.2 (with or without application for Shortfall Shares under the Shortfall Facility described in Section 6.3); or
- (2) take up part of your Entitlement and allow the balance of your Entitlement to lapse (refer to Section 6.2); or
- (3) allow all of your Entitlement to lapse (refer to Section 6.7).

6.2 Applying for New Shares

An Eligible Shareholder may take up all or part of their Entitlement by making payment by BPAY® (in accordance with Section 6.5) or completing the Entitlement and Acceptance Form which accompanies this Prospectus and returning it, together with the correct Application Monies in cleared funds in accordance with the instructions in Sections 6.4 and the Entitlement and Acceptance Form, in each case by no later than 5.00 pm (Sydney Time) on the Closing Date.

The Company may, but is not obliged to, accept an Application received after the Closing Date if the Application is postmarked prior to the Closing Date. If the Company does not accept an Application for any reason, the Company will refund any excess Application Monies to the Eligible Shareholder (without interest).

Please note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

If you allow part of your Entitlement to lapse, your shareholding in Volpara will be diluted.

6.3 Applying for Shortfall Shares

Eligible Shareholders who subscribe for their full Entitlement may also apply for Shortfall Shares under the Shortfall Facility.

To do this, please submit the appropriate Application Monies via Bpay® to pay for all New Shares under your Entitlement plus the Shortfall Shares you wish to apply for under the Shortfall Facility. Alternatively, if you are unable to use Bpay®, enter the number of Shortfall Shares you wish to subscribe for in the Entitlement and Acceptance Form entitled “Apply for Shortfall Shares (if available)”.

The amount of Application Monies you submit with your Application (refer to Sections 6.4 to 6.6) must equal the Offer Price multiplied by the total number of New Shares, including Shortfall Shares, you wish to subscribe for.

If you apply for Shortfall Shares and your application is successful (in whole or in part) your Shortfall Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee that you will receive any Shortfall Shares. The Directors reserve their right to allot and issue Shortfall Shares in their absolute discretion.

6.4 Payment

Payment of Application Monies (which must equal the Offer Price multiplied by the number of New Shares including any Shortfall Shares you wish to subscribe for) will only be accepted in Australian dollars.

Payment should be made using BPAY® if possible. New Zealand and United Kingdom Shareholders who do not have an Australian bank account will be able to pay by cheque or by a draft in Australian currency payable on a bank in Australia (see below at Section 6.6).

Cash payments will not be accepted. Receipts for payment will not be issued.

Volpara will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement plus any Shortfall Shares (if any) as your payment will pay for.

Any Application Monies received for more than your final allocation of New Shares, including any Shortfall Shares, will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

6.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (1) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and as described in this Prospectus (including in Section 6.8); and
- (2) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

6.6 If you are unable to pay by BPAY®

Volpara encourages payments by BPAY® if possible.

If you are a New Zealand or United Kingdom Shareholder who is completing a payment by cheque or a draft in Australian currency payable on a bank in Australia, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque or bank draft in Australian currency for the amount of the Application Monies, payable to "Volpara Health Technologies Limited" and crossed "Not Negotiable".

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00 pm (Sydney time) on the Closing Date. You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque or bank draft must be:

- (1) made payable to "Volpara Health Technologies Limited" and crossed "Not Negotiable"; and
- (2) for an amount equal to the Offer Price multiplied by the number of New Shares and Shortfall Shares that you are applying for; and
- (3) in Australian currency drawn on an Australian branch of a financial institution.

Please return your completed Entitlement and Acceptance Form and cheque or bank draft to the address below:

Mailing address:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Hand delivery address:

Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at the Company's registered or corporate offices or other offices of the Share Registry.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of Application Monies is insufficient to pay in full for the number of New Shares, including any Shortfall Shares you applied for, or is more than the number of New Shares including any Shortfall Shares you applied for, you will be taken to have applied for such whole number of New Shares (including any Additional New Shares) which is covered in full by your Application Monies. Alternatively, the Company may in its discretion reject your Application, in which case any Application Monies will be refunded to you (without interest).

If you do not receive any or all of the Shortfall Shares you applied for, any excess Application Monies will be returned to you (without interest).

Eligible Shareholders are asked **not** to forward cash as cash payments will **not** be accepted. Receipts for payment will not be provided.

6.7 Allowing your Entitlement to lapse

If you do nothing, all of your Entitlement will lapse and your shareholding in Volpara will be diluted by those Eligible Shareholders who take up their Entitlements or by New Shares issued under the Shortfall Facility or to the Underwriter under the Underwriting Agreement.

6.8 Effect of Application

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. Volpara's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted in your own capacity and on behalf of each person on whose account you are acting that:

- (1) you have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (2) you agree to be bound by the terms and conditions of the Entitlement Offer, the provisions of this Prospectus and the accompanying Entitlement and Acceptance Form, and Volpara's constitution;
- (3) you authorise Volpara to register you as the holder(s) of New Shares allotted to you;
- (4) all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (5) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (6) once Volpara receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (7) you are an Eligible Shareholder;
- (8) you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (9) you authorise Volpara, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (10) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (11) the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is neither investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (12) you acknowledge that none of Volpara or the Underwriter or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Volpara, nor do they guarantee the repayment of capital;
- (13) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (14) you authorise Volpara to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (15) for the benefit of Volpara, the Underwriter and their respective related bodies corporate and affiliates, you are not an Ineligible Shareholder and you are eligible to participate in the Entitlement Offer;

- (16) the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form or from making an Application for New Shares and you are otherwise eligible to participate in the Entitlement Offer;
- (17) you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (18) you acknowledge that the New Shares have not been, and will not be, registered under the Securities Act of 1933 (US) and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act of 1933 (US) and any other applicable securities laws;
- (19) you have not and will not send any materials relating to the Entitlement Offer to any person (including nominees or custodians) where to do so would breach applicable laws; and
- (20) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale is illegal.

6.9 Brokerage and Stamp Duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer or for Shortfall Shares under the Shortfall Facility.

6.10 Enquiries concerning the Entitlement and Acceptance Form

If you have any questions on how to complete the Entitlement and Acceptance Form or take part or all of your Entitlement, please contact the Share Registry on 1 300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.15am – 5.30pm on Monday to Friday before the Closing Date.

7 ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been continuously quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under Section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class or securities convertible into that class which has been continuously quoted by ASX in the three months prior to the date of the Prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights and liabilities attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors and Shareholders should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial report of the Company for the financial year ended 31 March 2016 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market operated by ASX.

Generally, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete. However, where necessary, in order to make this Prospectus complete, the certain publicly available information has been included.

The Company, as a disclosing entity under the Corporations Act, states that:

- (1) it is subject to regular reporting and disclosure obligations;
- (2) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (3) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (a) the annual financial report of the Company for the financial year ended 31 March 2016 being the last financial report for a financial year, of the Company lodged with ASIC before the issue of this Prospectus;

- (b) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
- (c) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be obtained free of charge from the Company's principal place of business in New Zealand (see the Corporate Directory) during normal office hours.

The Company has lodged the following announcements with ASX since the date of its annual financial report for the financial year ended 31 March 2016 up to the date of this Prospectus:

Date	Headline
17/11/2016	Microsoft announces collaboration with Volpara
14/11/2016	VolparaDensity included in latest Tyrer-Cuzick risk Tool
14/11/2016	Half Year Results Cover Letter
14/11/2016	Half Year Accounts
14/11/2016	Appendix 4D
03/11/2016	FDA Launches EQUIP Program, VolparaEnterprise Ready to Help
31/10/2016	Appendix 4C - quarterly
10/10/2016	Volpara announces launch of breast density website
04/10/2016	VolparaEnterprise First Sale
20/09/2016	FDA Meeting Update
08/09/2016	Presentation to Brokers meet Biotech
06/09/2016	Newsletter to Shareholders
23/08/2016	Appendix 3B
15/08/2016	Response to ASX Appendix 3Y Query
15/08/2016	AGM Presentation Recording
11/08/2016	Results of Meeting
11/08/2016	Chairman and CEO's Addresses to Shareholders
08/08/2016	Change of Director's Interest Notice
29/07/2016	Appendix 3B
28/07/2016	Appendix 4C - quarterly
28/07/2016	Exercise of share options
27/07/2016	Notice of Annual General Meeting/Proxy Form
14/07/2016	Launch of Cloud Based Volpara Enterprise
22/06/2016	Investor Presentation
22/06/2016	Appendix 3B
03/06/2016	Change of Director's Interest Notice
31/05/2016	Shareholder Conference Call on FY Results

Publicly available information about the Company is available at www.asx.com.au or alternatively, from the Company's website, at www.volparasolutions.com/investor-information/asx-company-news/.

7.2 Director's interests

The interests of the Directors in securities of the Company immediately prior to the date of this Prospectus are as follows:

	Notifiable interest in Shares as at the date of this Prospectus	Notifiable interest in Options in Volpara at the date of this Prospectus	Entitlement to participate in the Entitlement Offer (assuming no Options are exercised and no rights are converted)
Roger Allen AM	20,467,848	300,000	1,023,392
Sir Michael Brady	7,419,075	300,000	370,953
John Diddams	1,108,014	600,000	55,400
Ralph Highnam	15,632,298	3,148,336	781,615
John Pavlidis	Nil	451,872	Nil
Lynette Swinburne	40,000	450,000	2,000

Note – the interests of Roger Allen, John Diddams and Lynette Swinburne are held through controlled entities.

The Company's announcements, including the latest director's interest notices, contain further information in relation to these interests.

7.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (1) the formation or promotion of the Company;
- (2) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (3) the Entitlement Offer.

Morgans Corporate Limited has acted as lead manager and underwriter to the Entitlement Offer. In respect of this work, the Company will pay to Morgans the fees as disclosed in Section 7.4. Morgans acted as lead manager and underwriter on the Company's initial public offer in April 2016 and received the fees for services performed on that transaction as disclosed in the IPO Prospectus, a copy of which may be obtained from ASX.

Norton Rose Fulbright Australia has acted as Australian legal adviser to the Entitlement Offer. In respect of this work, the Company will pay to Norton Rose Fulbright Australia A\$85,000. Other fees may be payable to Norton Rose Fulbright Australia in accordance with normal time billing rates. Norton Rose Fulbright Australia acted as Australian legal adviser on the Company's initial public offer in April 2016 and received the fees for services performed on that transaction as disclosed in the IPO Prospectus, a copy of which may be obtained from ASX.

Simmonds Stewart has acted as New Zealand legal adviser to the Entitlement Offer. In respect of this work, the Company will pay to Simmonds Stewart NZ\$35,000. Other fees may be

payable to Simmonds Stewart in accordance with normal time billing rates. Simmonds Stewart acted as New Zealand legal adviser on the Company's initial public offer in April 2016 and received the fees for services performed on that transaction as disclosed in the IPO Prospectus, a copy of which may be obtained from ASX.

7.4 Underwriting Agreement

The Company has entered into the Underwriting Agreement with Morgans under which the Underwriter has agreed to fully underwrite the Entitlement Offer.

The Company has agreed to pay to the Underwriter:

- a management fee of 1.0% of the gross proceeds raised in the Entitlement Offer;
- an underwriting fee of 3.0% of the gross proceeds raised in the Entitlement Offer; and
- reasonable costs, professional fees and expenses of and incidental to the Entitlement Offer which are incurred by the Underwriter.

The obligations of the Underwriter under the Underwriting Agreement are subject to certain conditions, including:

- (1) the Underwriter being satisfied with the form of the Prospectus and having given its consent to be named in the Prospectus;
- (2) the Company providing to the Underwriter a due diligence report in terms satisfactory to the Underwriter;
- (3) the Company releasing specified offer materials on the ASX announcements platform;
- (4) the Company lodging the Prospectus with ASIC;
- (5) the Company properly despatching the Prospectus and Entitlement and Acceptance Forms;
- (6) ASX approving the Entitlement Offer timetable;
- (7) the Company fulfilling certain obligations in respect of the Placement;
- (8) ASX not having indicated to the Company or the Underwriter that it will not grant permission for the official quotation of the New Shares on or before the Allotment Date (as such term is defined in the Underwriting Agreement), and if such an indication is given by ASX, that indication is not withdrawn by ASX before the Allotment Date; and
- (9) the Underwriter receiving certain prescribed certificates from the Company.

As is customary in underwriting agreements, the Company and the Underwriter have given certain representations, warranties and undertakings in connection with the Entitlement Offer.

If certain conditions are not satisfied, or if certain events occur, the Underwriter has the right to terminate the Underwriting Agreement. Such circumstances include, but are not limited to, the following:

- (1) (**market fall**) prior to the allotment of all New Shares under the Entitlement Offer, the S&P/ASX 200 Index closes 10% or more below its level at the close of normal trading on the trading day immediately before the date of the Underwriting Agreement and is at or below that level at the close of trading:
 - (a) for 2 consecutive Business Days during any time after the date of the Underwriting Agreement; or

- (b) on the Business Day immediately prior to the day on which the New Shares are allotted;
- (2) **(market conditions)** any adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States or in the international financial markets or any adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriter, it is impracticable to market the Entitlement Offer or to enforce contracts to issue and allot the New Shares or that the success of the Entitlement Offer is likely to be adversely affected;
- (3) **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into any Federal, State or Territory Parliament in Australia a new law or ASIC adopts or announces a proposal to adopt a regulation or policy (other than a law or policy which has been announced before the date of this document), any of which does or is likely to prohibit, restrict, regulate or otherwise have a material adverse effect on the success of the Entitlement Offer or which could result in the Underwriter becoming liable under any such law or regulation;
- (4) **(quotation approval)** approval to quote the New Shares is refused or not granted, other than subject to customary conditions, or, if granted is subsequently withdrawn or qualified, and the position remains the same at the day on which the New Shares are allotted;
- (5) **(no Listing Rules Waivers or Approvals)** the Company fails to obtain or procure from ASX any waivers or approvals required under the Listing Rules before the date this Prospectus is lodged;
- (6) **(ASX suspension)** ASX suspends quotation of the Shares;
- (7) **(ASIC or other prosecution)** ASIC gives notice in writing of any deficiency in the offer documents which is not remedied to the satisfaction of ASIC;
- (8) **(Default)** any representation or warranty contained in the Underwriting Agreement on the part of the Company is not true or correct in a material respect when given or if there is any other breach by the Company of its obligations under this document, which is either incapable of remedy or, if able to be remedied, is not remedied within five Business Days;
- (9) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a material escalation in existing hostilities occurs (whether war has been declared or not) or political or civil unrest involving any one or more of Australia, New Zealand, the United States, the United Kingdom, any member state of the European Union, Japan, the People's Republic of China, Indonesia or North or South Korea or a significant terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (10) **(adverse change)** any actual or potential adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company including any:
 - (a) change in the earnings, future prospects or forecasts of the Company;
 - (b) change in the nature of the business conducted by the Company; or
 - (c) insolvency (within the meaning of the Corporations Act) or deemed insolvency under the Corporations Act, voluntary winding up of the Company or the appointment of any receiver, receiver and manager, liquidator or other external administrator;

- (11) **(Due Diligence Program)** any information supplied by or on behalf of the Company to the Underwriter in relation to the Company or the Entitlement Offer as part of the due diligence program is misleading or deceptive;
- (12) **(new circumstance)** any new circumstance arises since the offer documents were issued that would, in the reasonable opinion of the Underwriter, have been required to be included in the offer documents (including this Prospectus) if it had arisen before the offer documents were issued;
- (13) **(disclosures in offer documents)** a statement contained in the offer documents is or becomes misleading or deceptive or is likely to mislead or deceive in a material respect or the offer documents are defective or omit any information they are required to contain;
- (14) **(withdrawal of Offer)** the Company withdraws the Entitlement Offer;
- (15) **(change in management)** a change in the board of Directors or, chief executive officer of the Company occurs without the prior written consent of the Underwriter; or
- (16) **(Timetable)** an event specified in the timetable is delayed for more than five Business Days, other than in accordance with the Underwriting Agreement.

7.5 **Rights of Volpara**

Volpara reserves the right, at its discretion, to vary, suspend or cancel the Entitlement Offer at any time, subject to the Corporations Act, the Listing Rules and any other law or regulation to which the Company is subject.

Any variation, suspension or cancellation does not give rise to any liability on the part of or any action against, Volpara or any Director and will be binding on all Eligible Shareholders.

If the Directors determine to suspend or cancel the Entitlement Offer, any Application Monies received by the Company in relation to New Shares not already issued will be refunded in accordance with the Corporations Act, without interest, as soon as reasonably practical after the suspension or cancellation.

7.6 **Overseas jurisdictions**

This Prospectus does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Shares, including by submitting the Entitlement and Acceptance Form or making a payment by BPAY® you represent and warrant that there has been no breach of such laws.

The distribution of this Prospectus outside of Australia, New Zealand and the United Kingdom (subject to section (b) for New Zealand and section (c) for the United Kingdom of the “Foreign jurisdictions” sub-section in the “Important Information” section of this Prospectus) may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liabilities to such persons. Eligible Shareholders are responsible for ensuring that taking up New Shares under the Entitlement Offer does not breach the restrictions set out in this Prospectus or otherwise violate the securities laws in the relevant overseas jurisdictions.

No action has been taken to register or qualify this Prospectus, the New Shares, or the Entitlement Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia, New Zealand or the United Kingdom.

7.7 **CHESS**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

7.8 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office in Australia or New Zealand.

7.9 Governing law

This Prospectus, the Entitlement Offer, and the contracts formed on acceptance are governed by the laws of New South Wales. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

7.10 Consents

Each of the persons referred to in this Section:

- (1) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (a) to be named in the Prospectus in the form and context which it is named; and
 - (b) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;

- (2) has not caused or authorised the issue of this Prospectus;
- (3) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- (4) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Morgans Corporate Limited	Lead Manager and Underwriter
Boardroom Pty Limited	Share Registry
Norton Rose Fulbright Australia	Australian legal adviser
Simmonds Stewart	New Zealand legal adviser

7.11 **Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.12 **Directors' responsibility and consent**

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

8 DEFINITIONS

Terms and abbreviations used in this Prospectus have the following meaning:

A\$ or \$	The lawful currency of Australia, unless otherwise specified
Allotment Date	22 December 2016 (unless varied)
Applicant	An Eligible Shareholder who applies for New Shares under the Entitlement Offer or who applies for New Additional Shares under the Shortfall Facility
Application	A valid application by way of an Entitlement and Acceptance Form or made via a BPAY® payment
Application Monies	Monies paid by Eligible Shareholders in respect of New Shares, including any Shortfall Shares they apply for
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691, or the market operated by it, as the context requires
ASX Announcement	The announcement released to ASX on 22 November 2016 in connection with the Entitlement Offer
ASX Listing Rules	The official listing rules of ASX as amended or waived from time to time.
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Limited, as amended from time to time, except to the extent of any express written waiver by ASX Settlement Pty Limited
BAA	Business Associate Agreement
Closing Date	5.00 pm (Sydney time) on 15 December 2016 (unless extended)
Companies Act	<i>Companies Act 1993</i> (New Zealand)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The directors of the Company
Eligible Shareholder	A person who: <ul style="list-style-type: none"> (i) is a registered holder of Shares at 7.00pm (Sydney time) on the Record Date; and (ii) has a registered address in Australia, New Zealand or the United Kingdom
Entitlement	The entitlement of an Eligible Shareholder under the Entitlement Offer
Entitlement and Acceptance Form	The entitlement and acceptance form which accompanies this Prospectus

Entitlement Offer	The offer under this Prospectus to Eligible Shareholders to apply for one New Share for every 20 Shares held on the Record Date
FDA	The Food and Drug Administration of the United States Department of Health and Human Services
FMA	The Financial Markets Authority of New Zealand
GST	Goods and services tax, or any similar tax
HIPAA	The United States <i>Health Insurance Portability and Accountability Act of 1996</i>
Ineligible Shareholder	A Shareholder resident in a country other than Australia, New Zealand or the United Kingdom, in accordance with the 'Important Information' section of this Prospectus
IPO Prospectus	The prospectus issued by the Company in connection with its initial public offer of Shares dated 24 March 2016
Listing Rules	The Listing Rules of ASX, as modified or varied by ASX from time to time
Morgans	Morgans Corporate Limited ABN 49 010 669 726, the underwriter of the Entitlement Offer
New Share	A Share to be issued pursuant to the Entitlement Offer, including any Shortfall Shares
Offer Price	A\$0.60 per New Share
Option	An option to acquire a Share
PHI	Protected health information
Placement	The institutional placement of New Shares commenced on 22 November 2016 to raise approximately A\$7 million
Prospectus	This document dated 22 November 2016, including the accompanying Entitlement and Acceptance Form
Record Date	7.00 pm (Sydney time) on 25 November 2016
SaaS	Software as a Service
Share	A fully paid ordinary share in the Company
Share Registry	Boardroom Pty Limited ACN 003 209 836
Shareholder	A registered holder of Shares
Shortfall	Those New Shares under the Entitlement Offer not subscribed for by Shareholders
Shortfall Facility	The offer of Shortfall Shares under this Prospectus under the shortfall facility described in Section 6.3.
Shortfall Shares	New Shares applied for by Eligible Shareholders in excess of their Entitlement under the Shortfall Facility

Underwriter	Morgans Corporate Limited ABN 49 010 669 726
Underwriting Agreement	The underwriting agreement between the Underwriter and the Company summarised in Section 7.4
Volpara or Company	Volpara Health Technologies Limited, New Zealand company number 2206998, ARBN 609 946 867
Volpara Products	<i>VolparaEnterprise, VolparaDensity, VolparaDoseRT, VolparaServer</i> and any other products that may be developed by Volpara from time to time

CORPORATE DIRECTORY

Directors

Roger Allen (Non-executive Chairman)
John Michael Brady (Non-executive director)
John Flower Diddams (Non-executive director)
Ralph Philip Highnam (Chief executive officer and executive director)
John Pavlidis (Non-executive director)
Lynette Mary Swinburne (Non-executive director)

Joint Company Secretaries

Brian Leighs
John Diddams

Australian Registered Office

Suite 9, Level 1, 357 Military Road
Mosman, NSW 2088

New Zealand Principal Place of Business

Level 12, 86 Victoria Street
Wellington 6011

Website

[http:// volparasolutions.com/](http://volparasolutions.com/)

Underwriter

Morgans Corporate Limited
Level 21, Aurora Place
88 Phillip Street, Sydney NSW 2000

Australian legal adviser

Norton Rose Fulbright Australia
Level 18, Grosvenor Place
225 George Street, Sydney NSW 2000

New Zealand legal adviser

Simmonds Stewart
Level 6, 15 Courtenay Place
Te Aro, Wellington, New Zealand 6011

Share Registry

Truan Tran and Allan Nicol
Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street, Sydney NSW 2000

ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at
7.00pm (Sydney time) on 25
November 2016

**Offer Closes: 15 December 2016 at 5.00pm
(Sydney time)**

NON-RENOUCEABLE ENTITLEMENT OFFER OF NEW SHARES AT AN ISSUE PRICE OF \$0.60 PER NEW SHARE ON THE BASIS OF 1 NEW SHARE FOR EVERY 20 ORDINARY SHARES HELD AT 7.00PM (SYDNEY TIME) ON 25 NOVEMBER 2016 ("OFFER"), PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

Defined terms used in the Prospectus have the same meaning when used in this Entitlement and Acceptance Form (unless otherwise specified).

A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the Offer close date with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of 1 New Share for every 20 Ordinary Shares held	Price Per Share	Amount Payable for Full Acceptance, at \$0.60 per New Share
	\$0.60 per Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Price Per Share	Amount Payable
	\$0.60 per Share =	\$

B Application for Shortfall Shares (if available)

If you wish to apply for Shortfall Shares under the Shortfall Facility please insert the number of Shortfall Shares in the box below and the appropriate amount payable. These Shortfall Shares will only be allotted if available. The Directors reserve the right to scale back applications for Shortfall Shares as they see fit. Any amount overpaid by you for Shortfall Shares will be refunded (without interest) following the close of the Offer.

Number of Shortfall Shares Applied for	Price Per Share	Amount Payable
	\$0.60 per Share =	\$

C Payment

Payment may only be made in Australian dollars by BPAY or cheque. Cash will not be accepted via the mail or at the Volpara Health Technologies Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code:

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution.
- If paying by BPAY you do not need to return the Entitlement and Acceptance Form.
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "Volpara Health Technologies Limited" and crossed "Not Negotiable."
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

THIS FORM CONTINUES OVERLEAF

D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

The Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

By submitting this Entitlement and Acceptance Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we are an Eligible Shareholder and I/we have read and understood the Prospectus to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the terms of the Prospectus (including section 6.8) and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Volpara Health Technologies Limited and agree to the terms and conditions of the Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other than as set out in the Prospectus or as otherwise publicly disclosed when making my/our decision to invest.

ACCEPTANCE AND LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR IN PART

Multiply the number of New Shares for which you are applying by \$0.60, and then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone No. +61 (0)2 9290 9600
Facsimile No. +61 (0)2 9279 0664

If you do not deal with your Entitlement it will lapse at 5.00pm (Sydney time) on 15 December 2016.

PAYMENT – AUSTRALIAN RESIDENTS

Cheque or Draft

All cheques or drafts (expressed in Australian currency only) are to be made payable to “Volpara Health Technologies Limited” and crossed “Not Negotiable”.

BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00pm (Sydney time) on 15 December 2016.

PAYMENT – OVERSEAS RESIDENTS

Overseas shareholders who are permitted to apply for shares (including residents of New Zealand and the United Kingdom) must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft or cheque should be attached to your completed form and the document mailed to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

APPLICATIONS MUST BE RECEIVED BY THE CLOSING DATE. OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /
Sole Director & Sole Company
Secretary

Joint Shareholder 2 (Individual) /
Director

Joint Shareholder 3 (Individual) /
Director/Company Secretary
(Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).